



NEWS RELEASE

United States Department Of Agriculture Rural Development
Rm. 152 Federal Building 100 Centennial Mall North Lincoln, Neb. 68508
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March 5, 2004

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FOR IMMEDIATE RELEASE

USDA RURAL DEVELOPMENT ACCEPTING BUSINESS PROGRAM APPLICATIONS

Lincoln, Neb, March 5, 2004--Applications are being accepted for five business programs administered by the United States Department of Agriculture (USDA) Rural Development. The programs are designed to improve the business climate and opportunities within communities and to assist in business startup and developing sustainable business operations.

The Rural Business Enterprise Grant (RBEG) program supports the formation of small and emerging businesses in rural communities of less than 50,000 population. Eligible applicants include public bodies, non-profit organizations, and federally recognized Indian tribal groups. Grant funds are not provided directly to the business, instead funds are used for support services for business development, expansion or enhancement. Applications are due by close of business on June 9, 2004. Visit www.rurdev.usda.gov/rbs/busp/rbeg.htm.

The Rural Business Opportunity Grant (RBOG) program promotes sustainable economic development in rural communities of less than 50,000 population. Public bodies, nonprofit corporations, Indian tribes or qualifying cooperatives are eligible to apply. Grant dollars may pay the costs of providing economic planning for rural communities, technical assistance for rural businesses, or training for rural entrepreneurs or economic development officials. Applications are due by close of business on June 9, 2004. Visit www.rurdev.usda.gov/rbs/busp/rbog.htm.

The Intermediary Relending Program (IRP) provides for business development in rural communities of less than 25,000 population. Loan funds are provided to an intermediary (borrower) who utilizes a revolving loan concept to provide loan funds to ultimate recipients (businesses). As the recipients repay their loans, the funds are relent to other qualifying eligible entities. The intermediary may be a private non-profit corporation, public agency, Indian group, or cooperative. Applications are accepted and reviewed quarterly. Upcoming application deadlines are June 9th and September 30th. Visit www.rurdev.usda.gov/rbs/busp/irp.htm.

The Rural Economic Development Loan and Grant (REDLG) program promotes rural economic development and job creation. Zero interest loans or grants are made at the discretion of the Administrator, to eligible Rural Utilities Service (RUS) financed electric and telephone borrowers. Loans generally provide business "gap" financing for job creation projects. Visit www.rurdev.usda.gov/rbs/busp/redl.htm for loan information.

Grant dollars must establish a revolving loan fund. Initial projects are regulated, i.e., community development projects, business incubators by non-profit groups, facilities and equipment for education or medical care, etc. Loans made with relent funds may be used for any

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business or community development purpose per an approved scope of work. Applications are accepted and reviewed quarterly. Upcoming application deadlines are June 9th and September 30th. Visit www.rurdev.usda.gov/rbs/busp/redg.htm for grant information.

Business and Industry (B&I) Guaranteed Loan funds offer banks the opportunity to provide affordable capital to a growing, diverse rural business environment while reducing risk. It also enables a bank to provide higher loan amounts, lower interest rates and longer repayment terms to rural businesses in communities of less than 50,000 population who otherwise may not qualify for conventional financing. Features of the B&I Guaranteed Loan program include: 80 percent guarantee on loans up to \$5 million; 70 percent on \$5-\$10 million; minimum of 10 percent-20 percent tangible balance sheet equity; one-time flat 2 percent loan guarantee fee; no servicing fee; automated application; guarantees provided on a variety of businesses with no specific size standards; guarantees provided on working capital, debt refinancing (under certain conditions) and for customary business and industry loan purposes. Visit www.rurdev.usda.gov/rbs.htm for more information.

Eligible applications for all five programs are selected for funding using a priority scoring system. Applications, copies of regulations and additional information may be obtained by writing: USDA Rural Development Attn. Business Programs Division, Room 152 Federal Building, 100 Centennial Mall North, Lincoln, NE 68508-3888. Phone Deborah Drbal at (402) 437-5558, or email deborah.drbal@ne.usda.gov or contact Dan Laska at (402) 437-5554 or email dan.laska@ne.usda.gov, TDD phone (402) 437-5093.

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USDA Rural Development is an Equal Opportunity Lender, Provider and Employer. Complaints of discrimination should be sent to USDA, Director, OCR, Washington, D.C. 20250-9410.